

OVERSIGHT BOARD RESOLUTION NO.____

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE FORMER COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF
MONTEBELLO APPROVING THE FEBRUARY 1, 2012
TRANSFER OF CERTAIN HOUSING ASSETS FROM THE
SUCCESSOR AGENCY TO THE CITY OF MONTEBELLO
AS HOUSING SUCCESSOR**

WHEREAS, on February 1, 2012, the Community Redevelopment Agency of the City of Montebello (“Agency”) was dissolved by way of Assembly Bill (“AB”) 1x26 (as subsequently amended by AB 1484, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created the Montebello Successor Agency (“Successor Agency”) to effectuate the “winding down” of the Agency, and is a separate and independent public entity from the City of Montebello (“City”) which provides for its governance;

WHEREAS, as authorized by the Dissolution Act, the City to elected to serve as the Agency’s “housing successor” (“Housing Successor”), and thereby is authorized to retain and manage the “housing assets” and functions of the former Agency in accordance with the low-and-moderate income housing provisions of the Community Redevelopment Law (Health & Safety Code § 34176);

WHEREAS, as of its date of dissolution, the Agency had low-and-moderate income housing assets valued at \$22,248,662, comprised of the following, and such were transferred to the Housing Successor upon dissolution of the Agency:

<u>Type of Asset</u>	<u>Amount / Value</u>
Cash	\$ 11,223,941
Due to LMIHF (deferrals)	\$ 8,956,665
Real Property	\$ 2,040,830
Machinery and equipment	\$ 27,225
<u>TOTAL</u>	\$ 22,248,662

WHEREAS, the Dissolution Act created the Montebello Oversight Board (“Oversight Board”) to oversee, review, and approve certain actions of the Successor Agency, and is authorized to direct the transfer of housing assets of the former Agency to the Housing Successor (Health & Safety Code § 34181(c));

WHEREAS, on or about December 20, 2012, \$8,719,322 of the former Agency's low-and-moderate income housing fund ("LMIHF") cash was remitted to the Los Angeles County Auditor-Controller in compliance with the State Department of Finance's ("Finance") LMIHF due diligence review determination ("DDR Payment");

WHEREAS, the remaining LMIHF cash of the former Agency was used to make payments on approved "enforceable obligations" listed on the Recognized Obligation Payment Schedule covering January through June 2013 ("ROPS III"), and such payments were approved by the Oversight Board and Finance;

WHEREAS, on September 27, 2012, Finance issued its determination on the Housing Successor's "housing asset list" ("Housing Asset Determination") (Health & Safety Code section 34176(a)(2)), and recognized the amounts due to the LMIHF, the machinery and equipment, and a single family dwelling (APN 5267-008-900) valued at \$366,230 as "housing assets" of the Housing Successor;

WHEREAS, following Finance's Housing Asset Determination, the Successor Agency has provided additional documentation to the Oversight Board evidencing that the remaining housing-related real property assets of the former Agency were purchased with LMIHF monies for low-and-moderate income housing purposes;

WHEREAS, the Dissolution Act authorizes the State Controller's Office to review asset transfers between the Agency and City occurring between January 1, 2011, and the date of the Agency's dissolution (Health & Safety Code § 34167.5);

WHEREAS, pursuant to its audit authority, the State Controller's Office has questioned the transfer of the former Agency's housing assets to the Housing Successor, with exception of the DDR Payment, on grounds that the Oversight Board did not approve the transfer;

WHEREAS, the Successor Agency desires to obtain Oversight Board approval for the February 1, 2012 transfer of the remaining "non-cash" housing assets of the former Agency to the Housing Successor ("Non-Cash Housing Assets"), as such assets are listed on Exhibit "A" hereto, so that such assets may be used to benefit the low-and-moderate income residents of the community;

WHEREAS, in addition, the Successor Agency desires the Oversight Board ratify use of the former Agency's LMIHF cash to make payments on approved "enforceable obligations" on ROPS III; and

WHEREAS, in accordance with Health & Safety Code section 34181(c), the Oversight Board wishes to approve the February 1, 2012 transfer of the Non-Cash Housing Assets of the former Agency to the Housing Successor, so that such assets may be used by the Housing Successor to benefit the low-and-moderate income residents of the community, and further desires to ratify use of LMIHF cash to pay enforceable obligations on ROPS III.

**NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD DOES
HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. After consideration of staff presentations, reports, discussions, public comments, and other evidence presented, the Oversight Board hereby finds and declares that the foregoing recitals are true and correct and incorporate them herein.

SECTION 2. The Oversight Board finds and declares that the requirements of Health & Safety Code Section 34181(f) have been satisfied, in that the Oversight Board has held a public meeting to consider the transfer of the Non-Cash Housing Assets of the former Agency to the Housing Successor and ratification of the use of LMIHF cash on enforceable obligations on ROPS III, ten (10) days advanced public notice of said meeting was provided, and members of the public have been given an opportunity to comment on such matters.

SECTION 3. The Oversight Board finds and declares that those certain Non-Cash Housing Assets, identified on Exhibit "A" hereto, constitute "housing assets" as defined in subdivision (e) of Health & Safety Code section 34176, and the Oversight Board therefore approves the February 1, 2012 transfer of such Non-Cash Housing Assets to the Housing Successor, in accordance with (c) of Health & Safety Code Section 34181.

SECTION 4. The Oversight Board finds and declares that \$2,504,620 in LMIHF cash was expended on enforceable obligations during ROPS III, and such expenditure was approved by the Oversight Board and Finance, and was appropriate under the Dissolution Act.

SECTION 5. Successor Agency staff is hereby directed to provide notice of this Resolution to the Department of Finance in compliance with Health & Safety Code Section 34179(h), and this Resolution and the actions approved hereby shall be subject to review by the Department of Finance pursuant to Health & Safety Code Section 34181(f).

SECTION 6. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 13th day of November, 2013

Richard Bruckner, Chairperson
City of Montebello Oversight Board

ATTEST:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 13th day of November 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

VACANT:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

Exhibit “A” – Housing Assets

- Deferrals owed to low-and-moderate-income housing fund in the amount of \$8,956,665
- Machinery and equipment valued at \$27,225
- The following real properties located in the City of Montebello:
 - APN 5267-008-900 2917 Via Campo
 - APN 6346-025-911 520 W Whittier Blvd
 - APN 6346-025-912 522 W Whittier Blvd
 - APN 6346-025-913 528 W Whittier Blvd
 - APN 6346-025-906 117 N 5th Street
 - APN 6346-025-907 125 N 5th Street
 - APN 6346-025-910 114 N 6th Street
 - APN 6346-025-908 116 N 6th Street
 - APN 6346-025-909 116 N 6th Street
 - APN 6349-005-005 132 S 6th Street